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The Conference Board

Serving Business and Society for 75 Years

A Monthly Report from the Consumer Research Center April 1991

Consumer Confidence Survey

March results

Consumers:
Optimistic about the Future
Concerned about the Present

Consumer Confidence surged in March. The Consumer Confidence Index (1985=100) registered 81.0, up from 59.4 in February, the single largest month-to-month gain in the history of the survey. The victory in the Gulf has made for a stunning improvement in the consumer's expectations for the immediate future. However, in their assessment of ongoing economic conditions, people continue to express increasing concern. Consumers' plans to spend are also, on balance, somewhat stronger.

In assessing the current scene, people continue to have considerable concern about jobs. In March, 10.3 percent of all those queried report that jobs are "plentiful," which is about the same number as in the previous month, but 35.5 percent complain that they are "hard to get," a larger number than previously. Also, more respondents than a month earlier complain that general business conditions are "bad." Substantially more than a third of all those interviewed express this view.

However, in looking ahead to the next six months, people are appreciably more optimistic than last time. The Expectations component of the Index registered 100.4 in March, up from 63.6 in February. Considerably more people now believe that business conditions will improve in the months ahead, and also a much larger number expect more jobs to become available.

Plans to buy a home perked up sharply in March, to 4.4 percent of all those surveyed, up from 3.0 percent a month earlier. In fact, intentions to purchase a home are now higher than they have been in about three years. Major appliance buying plans are also stronger. However, interest in acquiring a car, which registered a smart gain in February, gave back some of the improvement in March.

The Board's Consumer Confidence Index is classified as a leading economic indicator by the U.S. Department of Commerce. The history of this series as a business-cycle indicator is carried in that agency's monthly publication, Survey of Current Business.

Just as the onset of the Gulf crisis provoked a significant decline in consumer confidence this past Summer, so has the stunning victory in the Gulf made for a sharp improvement in people's spirits. With higher expectations for the future, we may anticipate an increased disposition for consumers to spend. This could well contribute to a somewhat quicker-than-expected recovery of the economy. However, the notion that the recent abrupt improvement in confidence will catapult us out of a recession is excessively optimistic. People are still very much concerned about prevailing business conditions and, more specifically, jobs. The most recent unemployment figures lend credibility to this concern.

Fabian Linden

Confidence and Buying Plans

Based on surveys conducted by NFO Research, Inc.
Percentage of all households = 100%

Business **Employment** **Income**

All series seasonally adjusted.	1990 Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	1991 Jan.	Feb.(p)	Mar.(p)
Composite Series: Index Numbers, 1985=100													
Consumer Confidence Index	110.6	107.3	107.3	102.4	101.7	84.7	85.6	62.6	61.7	61.2	55.1	59.4	81.0
Present Situation	123.7	119.4	117.8	111.1	116.6	100.4	97.5	73.2	70.3	63.3	54.7	53.1	51.8
Expectations	101.9	99.2	100.3	96.6	91.8	74.2	77.7	55.6	56.1	59.8	55.3	63.6	100.4
Appraisal of Present Situation: Percent													
Business Conditions													
Good	24.9	23.8	23.1	22.6	23.4	20.8	19.4	14.2	14.4	13.3	11.1	11.7	11.9
Bad	19.7	19.3	19.7	20.1	20.7	23.5	24.6	28.9	29.8	30.3	34.4	33.3	34.2
Normal	55.4	56.9	57.2	57.3	55.9	55.7	56.0	56.9	55.8	56.4	54.5	55.0	53.9
Employment													
Jobs plentiful	29.2	26.6	26.9	23.4	25.6	21.4	20.6	15.3	13.7	12.4	11.4	10.0	10.3
Jobs not so plentiful	49.0	51.1	50.2	52.9	52.3	52.8	54.3	54.9	56.9	55.9	55.5	56.8	54.2
Jobs hard to get	21.8	22.3	22.9	23.7	22.1	25.8	25.1	29.8	29.4	31.7	33.1	33.2	35.5
Expectations for Six Months Hence: Percent													
Business Conditions													
Better	19.4	17.2	18.5	17.5	17.3	13.7	15.1	12.0	10.9	12.1	11.8	14.4	27.9
Worse	9.5	9.2	9.7	10.4	11.9	18.7	20.4	29.7	29.6	25.6	28.1	24.3	10.7
Same	71.1	73.6	71.8	72.1	70.8	67.6	64.5	58.3	59.5	62.3	60.1	61.3	61.4
Employment													
More jobs	16.6	15.4	15.9	15.5	14.6	11.3	13.9	9.5	9.9	9.9	9.0	11.6	20.7
Fewer jobs	15.4	16.2	16.3	16.5	18.0	22.7	23.2	34.9	34.9	33.9	35.3	31.4	19.3
Same	68.0	68.4	67.8	68.0	67.4	66.0	62.9	55.6	55.2	56.2	55.7	57.0	60.0
Income													
Increase	27.6	29.3	26.6	27.2	27.8	24.2	26.5	19.5	22.4	22.3	19.8	20.9	23.1
Decrease	6.3	6.3	5.2	7.0	7.8	8.5	8.7	11.0	11.5	10.4	11.1	11.6	8.7
Same	66.1	64.4	68.2	65.8	64.4	67.3	64.8	69.5	66.1	67.3	69.1	67.5	68.2
Plans to Buy Within Six Months: Percent													
Automobile													
Yes	8.1	6.2	8.3	8.4	8.8	7.5	7.8	6.3	6.5	6.2	6.0	7.5	6.7
New	4.0	3.7	4.0	4.0	3.3	4.3	3.8	3.3	2.2	2.9	3.0	3.7	3.4
Used	3.3	2.1	3.1	3.3	4.6	2.9	2.7	2.0	3.2	2.8	2.4	3.0	2.6
Uncertain	0.8	0.4	1.2	1.1	0.9	0.3	1.3	1.0	1.1	0.5	0.6	0.8	0.7
Home													
Yes	3.9	2.9	3.9	3.6	4.3	3.0	2.9	2.9	2.6	2.7	2.6	3.0	4.4
New	1.2	0.8	1.1	0.9	0.8	1.0	0.8	0.6	0.9	0.6	0.7	0.8	1.1
Lived in	1.6	1.4	2.0	1.8	2.5	1.3	1.2	1.7	1.4	1.5	1.3	1.5	2.1
Uncertain	1.1	0.7	0.8	0.9	1.0	0.7	0.9	0.6	0.3	0.6	0.6	0.7	1.2
Major appliances													
Total plans	31.9	31.3	29.5	28.8	27.4	32.8	30.3	26.0	25.3	26.9	27.4	28.0	33.0
Refrigerator	5.1	4.5	5.2	4.4	4.4	5.4	4.8	3.6	3.7	4.1	4.4	4.9	5.4
Washing machine	4.4	3.6	3.7	4.1	4.2	4.3	3.9	3.6	3.1	3.5	3.9	4.3	4.7
TV Set	7.3	7.8	6.8	6.9	6.3	7.8	7.7	7.0	6.8	7.1	6.9	6.6	8.8
Vacuum Cleaner	6.3	6.0	5.3	4.5	4.4	6.1	5.7	4.1	4.5	4.7	5.0	4.6	5.5
Range	2.9	3.5	3.0	3.0	3.2	2.7	3.0	2.9	2.3	3.0	2.7	2.9	2.9
Clothes dryer	3.8	3.8	3.3	3.9	2.7	4.0	3.2	3.2	2.7	3.0	2.9	3.1	4.1
Air conditioner	2.1	2.1	2.2	2.0	2.2	2.5	2.0	1.6	2.2	1.5	1.6	1.6	1.6
Carpet	6.5	6.2	6.2	6.6	7.0	7.3	6.7	5.9	5.1	5.6	6.2	5.7	6.9
Vacation Intended Within Six Months: Percent													
Vacation Intended		48.1		48.6		48.9		45.9		47.4		45.8	
Destination													
U.S.		41.1		42.2		41.8		40.0		41.4		41.0	
Foreign country		8.8		8.1		9.2		7.5		7.3		6.4	
Means of travel													
Automobile		28.6		29.4		29.4		27.7		27.9		28.5	
Airplane		18.8		19.4		17.9		16.4		17.5		16.3	
Other		3.8		3.3		4.6		3.9		3.7		3.9	

(p)—preliminary (r)—revised

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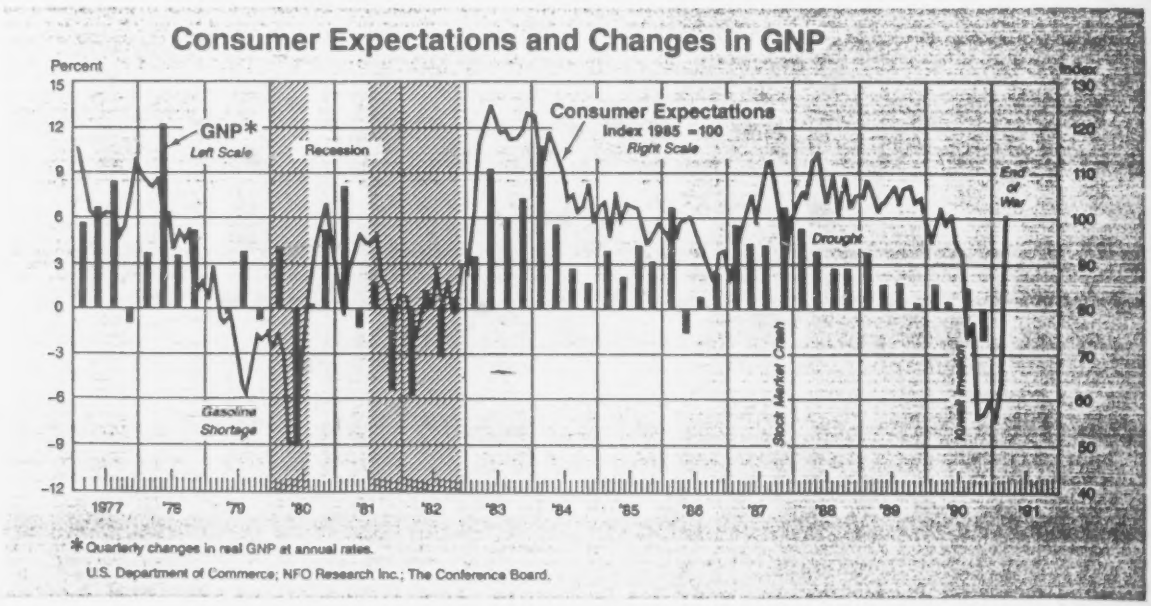
Not seasonally adjusted	1990 Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	1991 Jan.	Feb.(r)	Mar.(p)
Expectations for Twelve Months Hence: Percent													
Inflation Rate													
Average	4.9	4.9	4.9	4.9	4.9	5.4	5.7	6.4	5.9	5.8	5.5	5.2	4.7
Interest Rates													
Higher	58.7	54.5	62.6	56.2	49.5	58.4	64.2	57.4	53.2	49.8	33.4	34.4	42.3
Same	23.9	28.2	23.2	25.3	29.3	20.9	18.8	18.0	21.9	19.9	20.8	22.2	25.6
Lower	17.4	17.3	14.2	18.5	21.2	20.7	17.0	24.6	24.9	30.3	45.8	43.4	32.1
Stock Prices													
Increase	39.0	36.8	38.7	43.6	38.5	30.3	31.4	26.8	25.8	27.4	26.3	37.8	46.7
Same	34.8	37.4	37.0	34.8	36.7	30.9	28.8	25.0	28.2	30.0	29.9	31.1	31.2
Decrease	26.2	25.8	24.3	21.6	24.8	38.8	39.8	48.2	46.0	42.6	43.8	31.1	22.1

CONSUMER CONFIDENCE BY AGE AND INCOME CLASS

Seasonally adjusted index numbers: 1985 = 100	1990 Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	1991 Jan.	Feb.(r)	Mar.(p)	3 mos. Percent Change*
AGE OF HOUSEHOLD HEAD														
Consumer Confidence Index														
Under 35	122.4	116.1	118.9	111.9	114.5	100.9	94.2	81.9	80.1	73.5	66.5	65.2	90.3	-5.8
35-54	110.8	109.8	106.7	100.9	102.2	85.0	86.6	61.6	59.6	61.9	56.8	62.5	82.3	10.0
55 and over	98.4	94.3	95.2	94.1	88.4	70.2	76.6	50.0	50.5	50.7	42.5	50.0	69.7	7.3
HOUSEHOLD INCOME														
Consumer Confidence Index														
Under $15,000	84.5	78.7	83.2	75.4	79.8	59.0	71.6	50.7	46.4	54.2	41.4	47.0	60.1	-1.8
$15,000-24,999	100.5	106.1	103.1	91.9	98.8	83.4	80.7	55.0	62.9	55.4	49.4	54.9	72.4	2.0
$25,000 and over	123.7	119.1	117.9	116.7	109.8	96.0	91.8	69.9	68.3	65.9	62.6	65.8	91.7	7.9

*Percent Change: Average of last three months shown as compared with preceding three months. Age and income data have been adjusted for seasonal variations.



CONSUMER CONFIDENCE BY REGION

Seasonally unadjusted Index numbers: 1985 = 100	1990 Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	1991 Jan.	Feb.(r)	Mar.(p)	AVERAGE: Jan., Feb., Mar. 1990	1991	Percent Change*
NEW ENGLAND																
Consumer Confidence Index	85.7	64.6	69.9	51.6	42.5	29.2	39.4	23.0	26.3	26.9	29.6	37.3	51.5	79.5	39.5	-50.3
Present Situation	96.8	71.9	68.2	53.3	38.3	22.5	29.9	9.2	10.8	8.8	6.5	3.6	3.7	101.1	4.6	-95.5
Expectations	78.3	59.7	71.1	50.5	45.4	33.8	45.8	32.2	36.7	38.9	45.0	59.8	83.4	65.1	62.8	- 3.6
MIDDLE ATLANTIC																
Consumer Confidence Index	98.6	95.1	99.7	91.5	86.0	69.8	75.7	56.9	47.8	47.3	46.2	48.9	72.1	103.0	55.7	-45.9
Present Situation	111.1	108.9	106.6	111.9	104.7	92.2	96.6	74.3	53.0	48.2	38.4	33.6	30.1	122.1	34.0	-72.1
Expectations	90.3	85.9	95.1	78.0	73.5	54.8	61.7	45.3	44.4	46.8	51.4	59.1	100.1	90.3	70.2	-22.2
EAST NORTH CENTRAL																
Consumer Confidence Index	110.7	108.3	109.0	102.3	104.1	88.8	87.8	72.7	65.7	60.9	56.4	55.0	82.3	106.2	64.6	-39.2
Present Situation	117.2	123.4	127.0	118.1	125.3	111.1	113.5	101.2	87.4	80.6	66.7	49.9	54.9	117.9	57.1	-51.5
Expectations	106.3	98.2	97.0	91.7	90.0	73.9	70.7	53.6	51.2	47.8	49.5	58.5	100.6	98.3	69.5	-29.3
WEST NORTH CENTRAL																
Consumer Confidence Index	92.3	101.9	92.8	94.2	94.1	78.7	68.7	67.2	61.0	54.3	61.1	54.5	74.7	95.4	63.4	-33.5
Present Situation	101.1	106.1	110.3	103.9	116.6	94.1	83.6	87.5	78.7	62.3	65.7	56.2	53.8	103.0	58.6	-43.1
Expectations	86.4	99.0	81.2	87.8	79.1	68.4	58.8	53.7	49.2	49.0	58.0	53.3	88.7	90.3	66.6	-26.2
SOUTH ATLANTIC																
Consumer Confidence Index	130.2	121.4	122.6	128.9	119.9	95.9	98.0	74.0	69.4	63.5	59.2	69.9	85.1	126.7	71.4	-43.6
Present Situation	156.8	146.4	147.0	149.2	146.9	121.3	126.3	95.4	87.9	74.5	63.4	59.3	45.0	150.9	55.9	-63.0
Expectations	112.5	104.7	106.4	115.4	101.9	79.0	79.1	59.8	57.1	56.1	56.4	77.0	111.9	110.5	81.8	-26.0
EAST SOUTH CENTRAL																
Consumer Confidence Index	101.7	91.7	79.4	87.7	96.4	76.6	90.1	55.9	47.9	64.9	50.7	58.5	90.7	93.3	66.7	-28.6
Present Situation	85.1	84.8	68.1	79.3	102.8	82.9	102.4	59.7	47.4	63.4	39.2	50.4	50.4	81.9	46.7	-43.0
Expectations	112.8	96.2	86.9	93.3	92.1	72.4	81.9	53.3	48.3	65.8	58.4	63.9	117.7	100.9	80.0	-20.7
WEST SOUTH CENTRAL																
Consumer Confidence Index	93.2	92.0	90.5	78.9	84.7	77.5	90.6	63.5	71.8	70.0	60.3	66.5	85.2	91.2	70.7	-22.5
Present Situation	57.7	60.1	58.4	51.7	59.1	58.3	62.5	44.0	47.1	54.3	42.1	40.0	46.0	53.4	42.7	-20.1
Expectations	116.9	113.4	111.9	97.1	101.8	90.3	109.4	76.5	88.3	80.4	72.4	84.2	111.3	116.4	89.3	-23.2
MOUNTAIN																
Consumer Confidence Index	96.2	104.3	101.0	97.2	99.3	72.0	108.5	62.5	68.6	77.1	67.9	65.8	84.1	91.1	72.6	-20.3
Present Situation	68.2	74.9	82.2	75.8	88.0	64.1	96.5	51.4	60.6	58.7	51.4	38.4	61.2	63.6	50.3	-21.0
Expectations	114.9	123.9	113.5	111.5	106.8	77.2	116.5	70.0	74.0	89.3	78.9	84.0	99.4	109.4	87.5	-20.1
PACIFIC																
Consumer Confidence Index	139.8	126.1	127.5	119.6	121.9	108.3	105.6	88.0	92.0	80.0	70.3	84.9	100.3	137.5	85.2	-38.1
Present Situation	167.8	160.6	165.2	151.0	168.1	153.8	143.4	120.0	134.1	113.2	78.1	94.3	85.5	169.6	85.9	-49.3
Expectations	121.1	103.2	102.4	98.7	91.1	77.9	80.4	66.7	63.9	57.9	65.1	78.6	110.2	116.0	84.6	-27.1

*Percent Change: Average of last three months shown as compared with same period year ago. Regional data are not adjusted for seasonal variations.